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DD/M&S 74-0301

28 JAN 1974

MEMORANDUM FOR: Director of Communications
Director of Finance
Director of Joint Computer Support
Director of Logistics
Director of Medical Services
Director of Personnel
Director of Security
Director of Training
Chief, ISAS
Chief, History Staff

SUBJECT : Procedures to be Used in Arriving at
Recommended FY 75 Personnel Reductions

1. As you know, the Associate Deputy Directors have been constituted as a working group under the chairmanship of the Comptroller to set new ceiling allocations for the reduction of Agency staff positions [REDACTED] in time for inclusion in the final FY 1975 budget. The ADD Working Group has agreed that:

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a. The near-term problem of allocating ceiling reductions should be done in an arbitrary manner so that no precedents are set which prejudice the longer term objective of helping the DCI reach a rational and equitable ceiling allocation. We proposed a straight across-the-board percentage reduction.

b. The longer term problem should be addressed by mutual discussion among us of the functional needs of Directorates and the presentation to the DCI of the issues raised thereby. We furnish the DCI our views on these issues so that he can finally decide on the reallocation of all [REDACTED] positions among Directorates and their components.

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2. A draft Program Call has been circulated to the four Directorate Planning Staffs for comment. Time constraints prohibit soliciting comments from each of your Offices. The DD/M&S Plans Staff has offered a number of

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comments but the basic concept is expected to be issued in the final Call essentially as it is prescribed in the draft. A copy of the draft is attached. It differs somewhat from earlier Calls in emphasizing the use of resource packages; in deemphasizing traditional program categories (collection, production, etc.); and in accommodating to the Director's desires to relate objectives and resources more effectively. Under the resource package concept, each Directorate will divide its entire budget into packages of personnel and other resources devoted to specific functional tasks.

3. The ADD Personnel Working Group has agreed to use the resource package concept developed in the Program Call in conducting the personnel analysis needed to accomplish its task. The first step is the identification of the resource packages and, at this time and for purposes of this exercise, only the personnel requirements of each. The packages, with appropriate description and analysis, will serve as the basis for individual ADD presentations to the Working Group. Most of the work has already been done in this Directorate through the Functional Reviews you completed earlier. What we need now is an aggregation of the individual functions into resource packages and your arrangement of them in order of inverse priority; e.g., if a function has to be given up which should go first, second, etc. The list should cover about 10% of your FY 1974 position ceiling.

4. The A-DD/M&S is scheduled to make the first presentation to the ADD Personnel Working Group on 27 February. In order to prepare the presentation adequately we should have your submissions as soon as you can complete them, but not later than 15 February. The DD/M&S Plans Staff is available to assist you in any way they can.

/s/ John F. Blake

John F. Blake
Associate Deputy Director
for
Management and Services

Att.

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PROGRAM CALL
(Draft)

FY 1976

16 JAN 1974

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FOREWORD

The Planning Assumptions for this Program Call are to be found in the DCI's August 1973 memorandum on "Perspective of the Intelligence Environment." Other relevant documents are "National Foreign Intelligence Program Management Objectives for FY 1974" (14 December 1973), and "Key Intelligence Questions for FY 1974" (10 January 1974). DCI and Deputy Director Objectives for FY 1975/76 will be issued early in February 1974.

Program Call

1. This Program Call, covering the Operating Plan for FY 1975 and the Program Submission for FY 1976, has been designed to accommodate the various program management approaches employed in planning and controlling the wide variety of programs and functions for which the Director of Central Intelligence is responsible. A special effort has been made to eliminate requirements for data having little bearing on the resource allocation process.

2. This Program Call differs from its predecessors in a number of respects. It requires that the data submitted by the Directorates and components be organized in ways which will facilitate review of the accomplishments and benefits to be obtained from application of the resources requested. It asks that resource costs be related to Key Intelligence Questions and to objectives, where feasible, as well as to the organizational units which have the responsibility for program accomplishment. The vehicle chosen to accomplish these purposes is the "resource package", with clearly identified functions or objectives and resource needs.

3. Each major component (e.g., NE Division, OCI, OP) will be divided into resource packages for this Operating Plan/Program Submission. A resource package is a discreet, identifiable activity, function, group of related activities or functions, or a major project to which resources and objectives are assigned. The total of the resources required by all the resource packages in any component for a given fiscal year comprise the budget for that component for that year. Packages will vary from Directorate to Directorate, reflecting in each case the most meaningful approach to the presentation of activities for DCI review and decision. The structure for each Directorate, the bases for its resource packages, and the format for presentation of data should be worked out with the Office of the Comptroller. (Attachment 1 is a sample format.) Although there are no limits on the number of packages which a Directorate may identify at this time, we do not expect the total number of packages in CIA to exceed 500.

4. When the basis for a resource package is organizational, the unit chosen should generally be no lower than one level below the Office level (in the Operations Directorate, one below the Division level). Small offices or staffs may not need to be subdivided at all.

Individual projects or operational activities whose current or projected funding levels exceed \$500,000 a year should be identified as separate packages. For each resource package a single responsible manager will generally be identifiable. | ?

5. Resource packages may consist of one FAN account but more often will be aggregations of several FAN accounts. Normally single FAN accounts will not be split among several packages, although in some components splitting will be necessary to avoid over-large packages. Man-years will be dealt with only in whole numbers.

6. Where applicable, the description of a resource package should identify any major sub-functions or sub-objectives within the package, and the allocation of resources (money and man-years) to the accomplishment of these sub-functions should be shown to the extent possible.

7. Resources will be shown for the three fiscal years 1974, 1975 and 1976. Significant differences between FY 75 and FY 74 and between FY 76 and FY 75 should be discussed briefly in a narrative attachment to the resource package form.

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8. In a separate statement, the impact of a 10% reduction in the proposed resource levels for each package for FY 75 and FY 76 should be discussed, with particular emphasis on benefits to be lost or left unrealized, services to be affected, or products to be modified or cut out of the program. (If desired, a similar discussion may be included covering the additional benefits which could be realized if the allocation of resources were to be increased to a level above that requested.)

9. The Agency's Congressional Budget is justified on the basis of program categories, and such categories are still important in presenting the Intelligence Community budget. Therefore, each decision package will be identified with a Program Category and Sub-Category. If more than one type of activity occurs within a decision package, the predominant Category and Sub-Category will be assigned.

INTELLIGENCE OPERATIONS

Clandestine Collection

Overt Collection

SIGINT Collection

Research, Development & Engineering

Imagery

Special Activities

Special Support

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INFORMATION PROCESSING & EXPLOITATION

Imagery Exploitation
Signal Processing
Dissemination Services
Information Retrieval
Central ADP Services
Research, Development & Engineering

PRODUCTION OF INTELLIGENCE

Estimative
Political/General
Economic
Military
Science & Technology
Geographic
National Intelligence Survey
Management & Requirements

PROGRAM WIDE

Executive Direction & Control
Planning, Evaluation & Inspection
Research, Development & Engineering
Support Services

COMMUNICATIONS

Communications Operations
Communications Support
Research, Development & Engineering

10. To provide a common index of the ways these packages relate to various kinds of objectives, Activity Designators are to be applied to each resource package, as indicated below. In the event more than one objective or function is included within a single package, each identified objective or function should be assigned its own designator.

<u>Description</u>	<u>Designator</u>
a. A responsibility, activity, or project whose purpose or main effort <u>directly</u> seeks to achieve a specific objective assigned to the Agency by the President; or to a Directorate by the DCI; or which is <u>vital</u> to the national security of the US; or which will contribute to the answer to a Key Intelligence Question (KIQ).	<u>1</u>
b. An activity directed against a particular objective assigned by a Deputy Director or derived from a request by a USIB member agency.	<u>2</u>
c. An activity supporting, with more than 50 percent of its available resources, one or more activities with designators 1 or 2 above.	<u>3</u>
d. An activity not related to an activity designated 1, 2, or 3 above but <u>considered important</u> to US interests <u>and</u> which cannot be abandoned or curtailed without demonstrable near-term impact on US interests.	<u>4</u>
e. An activity having a degree of importance and utility, but where a reduction would <u>not</u> have demonstrable near-term impact on an activity designated 1 or 2 above,	<u>5</u>

particularly if some loss in product quality or productivity were acceptable.

11. In addition to Activity Designators, the DCI or Deputy Director level Objectives and Key Intelligence Questions to which the packages are related should be identified to the extent possible, and the percentage of resources allocated to each such Objective or KIQ should be estimated.

12. The data provided on each resource package should indicate whether the package is susceptible in total or in part to productivity measurement, and, if so, what the measurement reveals. This requirement is in keeping with the Government-wide interest in measuring the productivity levels and changes for Federal employees. We must seek to identify all those activities in the Agency where an evaluation of the productivity by conventional methods, i.e., units of output per man-year, will provide meaningful information. It is well understood that the Agency is involved in many activities which involve, in effect, "one-of-a-kind" products providing no rational basis for output measurement, but on the other hand, there are many areas not atypical of other agencies where we can develop data pertaining to productivity. Some Directorates will have more

of these types of activities than others, but all Directorates will have some.

13. Once the resource packages for a major component (Office, Division, etc.) are prepared, the component should tabulate the resource requirements in summary form and prepare a brief narrative about the interrelationships of the packages and to the extent possible indicate the relative priority of the 10% decremental changes identified in the packages. It may seem preferable, in the view of component managers, to relieve some packages of decremental changes while decreasing the resources of other packages to achieve an overall reduction of 10% in the component's resources. If such adjustments are desired, they should be recommended in the component summary. Similar summarizations, both tabular and narrative, should be prepared at the Directorate level, and the Directorate Operating Plan for FY 1975 and Program for FY 1976 as submitted to the Comptroller will be comprised of these summaries, supported by component summaries and the basic resource packages. The formats for presenting the data summaries are given in attachments 2 and 3. Attachment 4 is the schedule for submission of these Plans and Programs.

14. To provide data for this year's Operating Plan/Program, the automated Financial Resources System will be used in the same general manner as in the last Program Submission. Computer printouts will display data in the Budget Control System on an organizational basis, indicating the positions, average employment and funds for Fiscal Years 1974, 1975 and 1976 down to the FAN level. (Targets need not be reported at this time. The CIRIS data base will be used for evaluation of resources against targets for 1974 and 1975.) Unless components submit changes, the data for FY 1975 will be identical to that displayed in the FY 1975 Congressional Budget. Where reprogramming of the 1975 Congressional Budget occurs, submissions should describe the significant reprogramming involved.

15. Each Directorate is requested to identify all activities for which it receives funds from other sources. Examples of some such activities are reconnaissance programs, paramilitary operations, Third Party SIGINT activities, and certain research and development projects. In some of these cases the Agency is merely acting as a funding or contracting mechanism for another Government agency; in others, there are operational or programmatic ties between Agency activities and the funding source. A special summary of funds

received from other Government agencies will be submitted for FY 1974 - 1976 (attachment 5). Data presented should include all "G" account funds received or projected by the Agency, and reimbursements for services rendered, such as accommodation procurement and translation services. Major undertakings on behalf of other Government agencies should be indicated in the Program Submission.

16. P.L. 92-313, the Public Buildings Amendments of 1972, require that effective 1 July 1974, agencies reimburse the Federal Building Fund for all space occupied (whether Government-owned or leased) at approximately the commercial rates for comparable space and services. Internal Agency procedures are being developed on this subject and will be forwarded as a supplement as soon as completed.

17. Funding for all automatic data processing (ADP) equipment and services will be submitted in accordance with attachment 6. (Terminals connected on-line to a computer center in the Agency should be funded by the organization which operates the computer center.) Contracts for ADP services should be funded by the sponsoring organization.

Identification

Package Name _____

Directorate _____ Component (Office or Division) _____

Organizational Unit (within Component) _____

Program Category _____ Sub-category _____

Activity Designator _____

FAN (s) _____

Purpose and Description of Activity

(Narrative outlining principal functions performed.)

Relevant Objectives (DCI & DD only) for FY 75/76

Objective No. & Brief Description

Funds

Man-years

(If appropriate and feasible)

Relevant Key Intelligence Questions (s)

Outputs & Customers/Recipients

(To the extent possible, identify products and/or services provided, and principal recipients of each, including those in other agencies.)

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Resource Levels Requested

<u>Funds</u>	<u>FY 74</u>	<u>FY 75*</u>	<u>FY 76*</u>
Personal Services			
Projects			
Property			
External Contracts			
All Other			
Total			

Positions

Staff

Contract

Other (consultants, indigenous, summer-only) - specify

*Significant changes from previous level should be discussed in attachment.

Consequences of 10% reductions in resources requested above for
FY 75 and FY 76

(Narrative about specific goods/services/benefits to be sacrificed
by reduction. Discuss impact of reductions in ceiling separately.)

Is this activity, or any portion of it, susceptible to productivity measurement?
If so, has measurement been undertaken? What does it reveal?

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Schedule
FY 1976 Program Review

	<u>1974</u>
Directorate Responses due in O/Compt	14 June
Comptroller Review Completed	13 July
DCI Review	week of 15 July
Management Committee Review	week of 22 July
FY 1976 Budget Submissions from Directorates due in O/Compt.	3 Sept
CIA Budget due in OMB	1 Oct

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SAMPLE FORMAT

OFFICE RESOURCE PACKAGE SUMMARY

FY 1974-1976
(\$ in 000's)

Office or Division XYZ

Resource Package (R.P.) Name	R.P. No.	Activity Designator(s)	1974			1975			1976		
			Pos	A.E.	\$	Pos	A.E.	\$	Pos	A.E.	\$
Axxx Bxxx Cxxx*	1*	1	9	9	300	10	9	320	10	10	3
Axxx Bxxx Cxxx*	1*	3	10	9	525	10	10	542	10	10	5
Dxxx Exxx Fxxx	2	2	16	15	1,025	16	15	1,048	11	10	1,0
Gxxx Hxxx Ixxx	3	1	23	21	2,032	23	22	2,046	23	23	2,0
Jxxx Kxxx Lxxx	4										
Mxxx Nxxx Oxxx	5										
	<u>Etc</u>	-	-	-	-	-	-	-	-	-	-
TOTAL XYZ	--		xx	xx	xxxxxx	xx	xx	xxxxxx	xx	xx	xx

*Repeated to illustrate how to handle Resource Packages when more than one Activity Designator applies.

NARRATIVE SHOULD FOLLOW

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SECRETSAMPLE FORMAT

Directorate of _____

DIRECTORATE RESOURCE PACKAGE SUMMARY

FY 1974-1976

(\$ in 000's)

<u>Office</u>	<u>Activity Designator</u>	<u>1974</u>			<u>1975</u>			<u>1976</u>		
		<u>Pos</u>	<u>A.E.</u>	<u>\$</u>	<u>Pos</u>	<u>A.E.</u>	<u>\$</u>	<u>Pos</u>	<u>A.E.</u>	<u>\$</u>
XYZ	1	32	30	2,332	33	31	2,366	33	33	2,406
	2	16	15	1,025	16	15	1,048	11	10	1,090
	3	10	9	525	10	10	542	10	10	554
	<u>etc.</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
SUBTOTAL - XYZ	x	xx	xx	xxxx	xx	xx	xxxx	xx	xx	xxxx
QRS	1									
	2									
	3									
	<u>etc.</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
SUBTOTAL - QRS	x	xx	xx	xxxx	xx	xx	xxxx	xx	xx	xxxx
DIRECTORATE TOTALS	—	—	—	—	—	—	—	—	—	—
	<u>x</u>	<u>xx</u>	<u>xx</u>	<u>xxxx</u>	<u>xx</u>	<u>xx</u>	<u>xxxx</u>	<u>xx</u>	<u>xx</u>	<u>xxxx</u>

NARRATIVE ATTACHED**SECRET**

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Attachment 6

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Directorate _____
Office/Div. _____
Date _____

Schedule of ADP Funds

	<u>1974</u>	<u>1975</u>	<u>1976</u>
I. <u>ADPE Rents</u>			
<u>Sys No.*</u> <u>Sys Name</u>			
Sub-total			
II. <u>ADPE Purchases</u>			
<u>Sys No.*</u> <u>Sys Name</u>			
Sub-total			
III. <u>ADPE Maintenance Contracts</u>			
<u>Name of Contractor</u>			
Sub-total			
IV. <u>ADP Software/Service Contracts</u>			
<u>Project</u> <u>Contractor</u>			
Sub-total			
V. <u>ADP Supplies/Materials</u>			
<u>Vendor</u>			
Sub-total			
Grand Total			

*Show the system number which identifies the computer in the ADPMIS.

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STATINTL

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